

Consumer Protection Section Annual Report 2004

10/01/2003 through 09/30/2004

| | | ort is issued under the Compiled Laws of 197 | | t No. 283 of the P | ublic Acts, as amended, | Section 7, |
|----------|-------------|---|----------|--------------------|---------------------------|------------|
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| | | | | 5 , , , | Agriculture, E.C. Heffron | |

LABORATORY DIVISION CONSUMER PROTECTION SECTION

Michigan Department of Agriculture Key Priorities and Programs

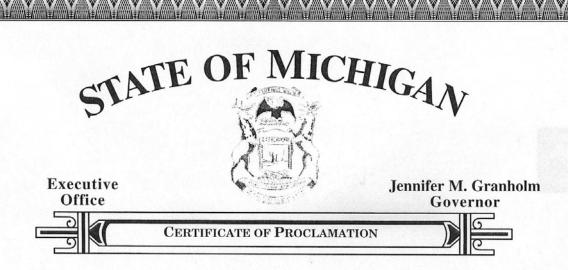
- Food Safety and Security
- Environmental Stewardship
- Animal, Plant Health and Protection
- Viable Agriculture Development
- Consumer Protection
- Homeland Security

Consumer Protection Section Mission Statement

- Prevent economic fraud and deception concerning weights and measures, motor fuels quality, labeling and advertising of all commodities.
- Be responsible for environmental issues as they relate to the distribution of gasoline products.
- Provide National Institute of Standards and Technology (NIST) traceability on the state's standards and measures.
- Provide regulatory resource expertise to the public, industry, and government.

Michigan Department of Agriculture
Dan Wyant, Director
Keith Creagh, Deputy Director

Laboratory DivisionSteve Reh, Division Director
Michael Pinagel, Section Director



On behalf of the citizens of Michigan, Cobernor Jennifer M. Granholm hereby proclaims the week of March 1, 2004, as

Weights and Measures Week

Whereas, The Weights and Measures Program of the Michigan Department of Agriculture Laboratory Division serves to meet the public need of standard weights and measures in the State of Michigan; and,

Whereas, The employees of the Weights and Measures Program are responsible for ensuring that all weighing and measuring devices used in commerce are accurate in both their design and operation; and,

Whereas, Weights and measures activities had an estimated economic impact of over \$171.8 billion in Michigan in 2001; and,

Whereas, With a theme of "Weights and Measures: Ensuring Fair Competition and an Honest Value", the maintenance of consumer confidence and the establishment of a competitive, fair marketplace strengthens economic activity and helps establish Michigan as the world's 16th largest economy and the #2 ranked state in the nation for business development; and,

Whereas, Each year the first week in March is set aside to commemorate the enactment of our nation's first Weights and Measures Law in 1799 and to increase public awareness of the importance of this law; and now therefore be it,

Resolved, That I, Jennifer M. Granholm, Governor of the State of Michigan, do hereby proclaim the week of March 1, 2004, as Weights and Measures Week in Michigan in conjunction with the national celebration of the 205th anniversary of our nation's first Weights and Measures Law.



Jennifer M. Granholm Governor

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| Field Audits and Samples with Ethanol (8.8 psi RVP limit) | 17 |

GENERAL INFORMATION AND STATISTICS

| * * * * | | |
|--|-------------------|------|
| Establishments Licensed | | |
| Gasoline Retail Outlets | 5,119 | |
| | | |
| * * * * | | |
| Certificates Issued | | |
| Livestock Weighmasters | 6 | |
| | | |
| **** | | |
| Service Agencies and Personnel Registered | | |
| Servicepersons | 96 | |
| Service Agencies | 34 | |
| **** | | |
| Formal Complaints Investigated | | |
| Weights and Measures | 1,002 | |
| Gasoline (Quality) | 252 | |
| TOTAL | 1,254 | |
| | | |
| **** | | |
| Motor Fuels Quality Hotline (1-800-MDA-FUEL) | | |
| Complaints Received and Responded | 1,273 | |
| Note: Complaints outside of the program's responsibility were forwarded to the | e appropriate age | ncy. |

Freedom of Information Act

Requests Received and Processed 26

ENFORCEMENT ACTIONS

Hearings and Compliance Meetings

| | Compliance Meetings | Hearings | License Revocations |
|--|------------------------|----------|------------------------|
| Violation of P.A. 44 of 1984, as amended, | 22 | 0 | 0 |
| Michigan Motor Fuels Quality Act | | | |
| Violation of P.A. 283 of 1964, as amended, | 17 | 0 | 0 |
| Michigan Weights and Measures Act | | | |
| TOTAL | 39 | 0 | 0 |

By Violation

| Violation of P.A. 44 of 1984, as amended, | Warning <u>Letters</u> 554 * | Administrative Actions 297 ** | Prosecutions 0 |
|---|------------------------------------|-------------------------------|-------------------|
| Michigan Motor Fuels Quality Act Violation of P.A. 283 of 1964, as amended, Michigan Weights and Measures Act | 55 | 50 | 0 |
| TOTAL | 609 | 347 | 0 |

^{*}This number includes 6 warning letters sent for distributor related violations.

Fines/Costs for Prosecutions and Administrative Fines*

| TOTAL | \$451,020 |
|--|-----------|
| Michigan Weights and Measures Act | |
| Violation of P.A. 283 of 1964, as amended, | \$314,850 |
| Michigan Motor Fuels Quality Act | |
| Violation of P.A. 44 of 1984, as amended, | \$136,170 |

^{*}Administrative fines are authorized under both P.A. 44 of 1984 and P.A. 283 of 1964.

* * * * * Seizure and Stop Sale Information

| Reason | <u>Seizures</u> | Amount(Lbs) | Value(\$) |
|-------------------------------------|-----------------|-------------|------------|
| Short Weight/Measure | 49 | 156,968 | 174,946 |
| | | | |
| <u>Reason</u> | | | Stop Sales |
| Excess Water in Underground Storage | Tank | | 55 |
| Failure to Meet Quality Standards | | | 10 |
| TOTAL | | | 65 |

^{**}This number includes 213 administrative fines due to delinquent licenses and 19 administrative fines against distributors.

SECTION PHOTOGRAPHS



Weights and Measures Specialist Jim Brown and Weights and Measures Inspector David Crowley prepare a state prover to test a Liquefied Petroleum Gas (LPG) truck meter. Michigan residents consume over 700,000 gallons of LPG annually. A cooperative outreach effort with the Michigan Petroleum Gas Association resulted in a sharp increase in compliance. During FY04, LPG meter inspections had a 94.6% compliance rate.

Weights and Measures staff utilizes motorized "weight carts" to conduct tests on vehicle scales. This equipment allows staff to efficiently move up to 35,000 pounds of certified test weights from one section of the scale to another. This large amount of weight is often required as these heavy scales have capacities in excess of 200,000 lbs. During FY04, Weights and Measures Program staff conducted inspections on nearly 600 of these devices.





Metrologist Dr. Neil Jones works in the E. C. Heffron Metrology Laboratory's state-of-the-art small mass laboratory. Thousand of high precision mass standards are calibrated annually for Michigan's and the surrounding states' industries, service companies, and legal metrology enforcement programs.

Metrologist Specialist Bill Erickson maneuvers an industry test chain on to the laboratory's Mettler KG3000 high capacity mass comparator. The E. C. Heffron Metrology Laboratory is one of only 15 state labs in the country to achieve accreditation through the National Voluntary Laboratory Accreditation Program . The lab has also received the National Institute of Standards and Technology Certificate of Measurement Traceability for Mass (Echelon I-III), Volume (Gravimetric and Volume Transfer), Length (Tapes), Temperature (III-V) and Wheel Load Weighers (<20,000 lb).





Motor Fuels Quality Enforcement Specialist Leon Steinbrecher collects a sample of gasoline to be tested to ensure it meets the state-established performance and environmental standards. Motor Fuels Quality staff collected over 1,500 samples from licensed retail gasoline outlets in FY04.

Motor Fuels Quality Enforcement Specialist Dianne Naggar examines a sample of gasoline for water and sediment. Out of the 1,521 samples collected during FY04, 249 (16.4%), did not meet the state established standards. Of these, nearly 1 in 5 failed due to water or sediment contamination.



SECTION SPECIAL ACTIVITIES

During FY04, the Consumer Protection Section staff was called upon by Governor Granholm to conduct a special project concentrated on the gasoline marketplace. Staff successfully met Governor Granholm's goals for quality and quantity inspections. An overview of the project entitled May Day to Labor Day Project follows.

May Day to Labor Day Project

Final Report by Michigan Department of Agriculture Laboratory Division November, 2004

Background:

The spring of 2004 saw near record gasoline prices throughout Michigan and across the nation. The Department of Energy's (DOE) Energy Information Agency (EIA) predicted that consumers would continue to face high gasoline prices throughout the summer driving season. In response to these conditions and in order to ensure that consumers were getting what they paid for and that industry had a level playing field from which to compete, Governor Jennifer M. Granholm called upon the Michigan Department of Agriculture (MDA) to increase its monitoring at the 5,100 retail outlets located throughout the state. MDA is the only state or federal agency charged with monitoring and regulating the quality and quantity of approximately five billion gallons of gasoline and quantity of the approximately 1.2 billion gallons of diesel fuel sold to Michigan consumers annually.

Project:

Responding to the Governor's request, MDA Director Dan Wyant announced the "May Day to Labor Day" (MDLD) Project during a series of press conferences held around the state on April 14, 2004. The MDLD Project was scheduled to commence on May 1, 2004 and run through Sept. 7, 2004, effectively covering Michigan's important summer travel season. The MDLD Project goal was to increase by at least 20 percent the number of locations monitored for quality and quantity over the same period the previous year. The MDLD Project would involve abbreviated inspection protocols - or "audits" - to allow for maximum operator contact across the state.

Project Protocol:

The MDLD Project audited retail gas stations for the three major areas of potential concern: octane violations, water contamination/excess water in storage tanks, and inaccurate fuel pumps. General audit protocol included:

- Announcing arrival at the station;
- Randomly selecting one pump for each grade of gasoline;
- Verifying proper quantity by dispensing gasoline into a calibrated test measure and comparing the test measure reading to the dispenser indication;
- Examining dispensed gasoline for visible water or other possible contaminants;
- Screening for proper octane utilizing portable computerized near infrared testers;
- Checking storage tanks for illegal water levels utilizing water indicating paste;
- Investigating further if any indication of short measure, water, sediment, or low octane were found;
- Ordering immediate repair of devices found delivering short measure;
- Issuing "stop sale orders" at stations found misrepresenting product octane or selling product that exceeded water level tolerances; and
- Moving on to next location if no problems were found to maximize efforts and broaden the scope of the effort.

(cont)

Project Results:

953 retail outlets - a 30 percent increase over the previous year - were visited during the period May 1 to Sept.

- 7. These stations were located throughout the state. Significant MDLD Project results:
 - Problems were identified at 175 of 953 retail outlets inspected (18.4 percent)
 - 66 had quality violations
 - 115 had quantity violations
 - Six locations had both quality and quantity violations
 - 29 percent of gasoline samples collected failed to meet state-established standards for quality
 - Gas samples were "targeted" based upon complaint information and/or field screening prior to staff submitting an "official" sample
 - 12 percent of all devices inspected failed to meet state-established standards for quantity (accuracy)
 - 112 Motor Fuels Quality complaints were received a 133 percent increase over the same period in 2003
 - 399 Weights and Measures complaints were received a 60 percent increase over the same period in 2003
 - Nearly 1 in 5 consumer complaints investigated resulted in a verified violation

Project Complaint Response:

Consumer and industry complaints were up considerably during this project period and continued to be assigned highest priority. 511 consumers called the hotline number (800-MDA-FUEL) during the MDLD Project and registered a complaint about either the quality or quantity of the gasoline that they had purchased. In order to fully respond to the record complaint load and still meet the project goals, 10 qualified staff from other program areas within the Laboratory Division were reassigned to assist in the MDLD Project. These staff either worked directly on the program or assisted in ensuring that the vapor pressure of gasoline was monitored to meet air quality program obligations in Southeast Michigan. All routine sampling, inspections, and special investigations were suspended to allow full focus on this project.

Conclusion:

The May Day to Labor Day Project examined three historical problem areas for retail gasoline sales in Michigan: octane violations, water contamination/excess water in storage tanks, and inaccurate pumps. The MDLD Project was designed to "audit" the greatest number of locations possible while still responding to core activities (i.e. complaint investigation). Such auditing procedures provide a "snapshot" of current conditions for the consumer at retail, but are unlikely to detect covert fraud or quality and quantity problems that require more indepth testing and investigation. The necessary focus on complaint response, along with targeted inspections/ sampling at "problem locations," can reflect violation rates higher than might otherwise be found with a more random and more comprehensive inspection protocol.

Concerns remain in this vital industry sector. Advance media attention certainly made the industry aware of the MDLD Project, and the "audit" inspection results reveal that most retailers will strive to assure compliance when there is the expectation of an impending official inspection. However, the project results - coupled with the 74 percent overall increase in consumer complaints with a nearly 1 in 5 substantiation rate - indicates the need for MDA to remain vigilant in the marketplace to detect and correct violative situations before potential harm to the consumer and/or industry occurs. Finally, as of this writing, crude oil prices have crested the \$50 per barrel mark, increasing the economic impact of motor fuel quality and quantity violations and underscoring the need for adequate marketplace protection for Michigan's consumers and the retail motor fuels industry.

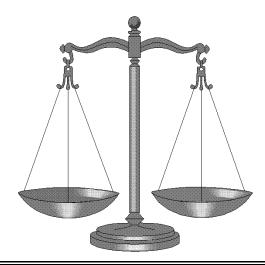
METROLOGY LABORATORY

The E. C. Heffron Metrology Laboratory saw a decrease in the total number of calibrations conducted in FY04. This was attributed to the slow state of the economy that led companies to expand their calibration cycle. Although the figures were lower, the laboratory still calibrated over 9,000 standards of mass, length, volume, force, and temperature.

Once again, the laboratory received continued recognition and traceability from the Office of Weights and Measures at the National Institute of Standards and Technology (NIST). As part of its program to encourage a high degree of technical and professional competence in such activities, the NIST Weights and Measures Division has developed performance standards and formalized procedures for recognition of state legal metrology laboratories on a voluntary basis. Certificates of Measurement Traceability are issued upon evaluation of the laboratory's ability to make reliable metrological measurements (principally mass, volume, length, and temperature).

In addition, the laboratory maintained its National Voluntary Laboratory Accreditation Program (NVLAP) accreditation. NVLAP provides third-party accreditation to testing and calibration laboratories. NVLAP's accreditation programs are established in response to Congressional mandates, administrative actions by the Federal Government, or from requests by private-sector organizations. NVLAP is in full conformance with the standards of the International Organization of Standardization (ISO) and the International Electrotechnical Commission (IEC), including ISO/IEC 17025 and Guide 58. Michigan's scope of accreditation can be found on-line at http://ts.nist.gov/ts/htdocs/210/214/scopes/2004080.pdf.

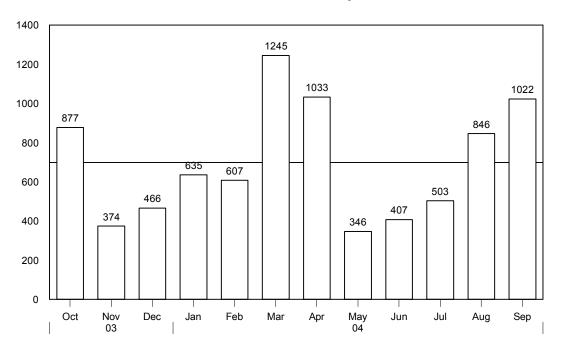
Some benefits of the laboratory's services include: ensuring accuracy and stability in the commercial measurement system and in supported state agencies; facilitating high tech and precision manufacturing; protecting Michigan's roads from overweight vehicles through the use of portable wheel load scales; promoting safety; and lowering maintenance costs.



LABORATORY ACTIVITIES

Mass standards are test weights used by industry, service companies, and enforcement programs to determine the accuracy of weighing devices. They vary in size from 6,000 pounds to 1 micropound and from 500 kilograms down to 1 milligram.

Mass Standards Calibrated by Month

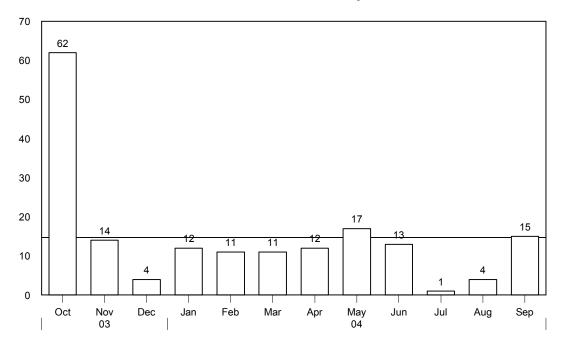


Mass Standards Testing Results

| | <u>Approved</u> | <u>Adjusted</u> | Condemned |
|-----------|-----------------|-----------------|-----------|
| October | 877 | 40 | 0 |
| November | 374 | 27 | 0 |
| December | 459 | 15 | 7 |
| January | 634 | 18 | 1 |
| February | 605 | 7 | 2 |
| March | 1,241 | 93 | 4 |
| April | 1,027 | 102 | 6 |
| May | 346 | 9 | 0 |
| June | 407 | 60 | 0 |
| July | 499 | 30 | 4 |
| August | 843 | 40 | 3 |
| September | 1,021 | 60 | 1 |
| TOTAL | 8,333 | 501 | 28 |

Volumetric standards are provers used in the testing of liquid measuring devices such as gas pumps, fuel oil, and liquid petroleum gas (LPG) measuring meters.

Volumetric Standards Tested by Month



Volumetric Standards Testing Results

| | <u>Approved</u> | <u>Adjusted</u> | <u>Condemned</u> |
|-----------|-----------------|-----------------|------------------|
| October | 62 | 31 | 0 |
| November | 14 | 12 | 0 |
| December | 4 | 2 | 0 |
| January | 12 | 9 | 0 |
| February | 11 | 8 | 0 |
| March | 11 | 6 | 0 |
| April | 12 | 6 | 0 |
| May | 17 | 13 | 0 |
| June | 13 | 10 | 0 |
| July | 1 | 1 | 0 |
| August | 4 | 2 | 0 |
| September | 15 | 11 | 0 |
| TOTAL | 176 | 111 | 0 |

Additionally, laboratory staff tested three linear measures, 12 temperature thermometers, and 600 wheel load weighers used in primary and secondary road load enforcement for local jurisdictions.

WEIGHTS AND MEASURES PROGRAM

During the FY04, as a result of consumer complaints and special investigations conducted, the Weights and Measures Program issued fines in excess of \$300,000.00. Violations were cited for negligent criminal activities. Parties cited included an out-of-state service agency, an out-of-state manufacturer who misrepresented their products to Michigan consumers, as well as multiple retailers. These penalties represent the most severe violators, as the primary tool used by the Weights and Measures Program is one of Compliance Assistance and technical information.

As the agency responsible for all commercial weighing and measuring devices and all commercial transactions involving a commodity sold by weight, volume, measure, or count conducted within the state, MDA's Weights and Measures Program is proud to serve all of Michigan's residents and visitors while ensuring accurate weights and measures.

Metrologist Dennis Ross conducts a net content inspection at a Michigan distribution warehouse. Weights and Measures activities had an estimated economic impact of over \$171.8 billion in Michigan. During FY04, over 450 field package checking surveys and 98 lot inspections, involving over 3,000 packages, were completed.



GENERAL WEIGHTS AND MEASURES INFORMATION AND STATISTICS

Weights and Measures Undercover Activities

Consumer Protection Section employees are equipped with unmarked vehicles holding calibrated false tanks which they use to conduct unannounced dispenser accuracy checks. Following are the results of these unannounced purchases during FY 04:

| Number of Purchases | 822 |
|--|------|
| Number of Shortages ≥ 1.0% | 34 |
| Percentage of Purchases ≥ 1.0% Short Measure | 4.14 |

Registered Serviceperson Activities

| Agencies Registered* | 34 |
|--------------------------------|-------|
| Technicians Registered* | 96 |
| Service Tests Administered | 453 |
| Internal Audits Conducted | 2,089 |
| Internal Audit Compliance Rate | 95.0% |
| Field Audits Conducted | 224 |
| Field Audit Compliance Rate | 75.0% |

^{*} From Program Inception, 136 agencies and 398 technicians have been successfully registered.

Weights and Measures Complaints Investigated

| Item Pricing and Accuracy | 167 |
|-------------------------------|-------|
| Retail Motor Fuels Dispensers | 791 |
| Short Weight/Measure | 23 |
| All Other Complaints | 21 |
| TOTAL | 1,002 |

Disposition of P.A. 283 Violations

| Compliance Meetings | 17 |
|---------------------|-----------|
| Warning Letters | 55 |
| Consent Agreements | 50 |
| Prosecutions | 0 |
| Seizures | 49 |
| Fine Amounts | \$314.850 |

STATE OFFICIALS' INSPECTIONS

Establishments Visited by Type

| Food Processing Plants | 42 |
|----------------------------------|-------|
| Gasoline Stations | 1,538 |
| Grain Elevators | 90 |
| Grocery Stores (large and small) | 186 |
| Hardware Stores | 7 |
| Livestock Scales | 8 |
| Manufacturing Plants (non-food) | 28 |
| Petroleum Products Distributors | 60 |
| Produce Markets | 4 |
| Scrap Metal Dealers | 77 |
| All Other Establishments | 436 |
| TOTAL | 2,476 |

These establishments were visited by inspectors to inspect weighing and measuring devices and verify the net content of packaged commodities.

Net Content Inspections

| | | Packages | Packages | | Lots | Lots | |
|-------|----------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| | <u>Surveys</u> | <u>Approved</u> | <u>Rejected</u> | Compliant | <u>Approved</u> | <u>Rejected</u> | Compliant |
| Field | 456 | 3,123 | 449 | 87.43 % | 98 | 187 | 34.39 % |

Devices Inspected

| Commercial Device Type | <u>Approved</u> | Condemned for Repair | Condemned for Use | Compliant (%) |
|------------------------------------|----------------------|-------------------------|-------------------|---------------|
| Animal/Livestock Scale | <u>лъргочеа</u> 4 | <u>1011 (cpaii</u> 0 | 0 | 100.00 |
| | • | U | - | |
| Counter Scale | 966 | 9 | 4 | 98.67 |
| Crane Scale | 1 | 0 | 0 | 100.00 |
| Fuel Truck Meter | 30 | 3 | 1 | 88.24 |
| Gasoline Blend Meter | 2,123 | 372 | 131 | 80.85 |
| Gasoline Meter | 3,479 | 733 | 197 | 78.91 |
| Hopper Scale | 1 | 0 | 0 | 100.00 |
| LPG Meter (25 GPM or less) | 15 | 0 | 0 | 100.00 |
| LPG Meter (over 25 GPM) | 38 | 2 | 1 | 92.68 |
| Platform Scale (1,500 lbs or less) | 93 | 0 | 7 | 93.00 |
| Platform Scale (over 1,500 lbs) | 42 | 7 | 8 | 73.68 |
| Single Product Meter (over 25 GPM) | 392 | 130 | 17 | 72.73 |
| Terminal Meter | 20 | 2 | 0 | 90.91 |
| Track Scale | 1 | 0 | 0 | 100.00 |
| Vehicle Scale (2 section) | 56 | 2 | 10 | 82.35 |
| Vehicle Scale (4+ section) | 397 | 80 | 37 | 77.24 |
| TOTAL | 7,658 | 1,340 | 413 | 81.37 |

| | | Condemned | Condemned | |
|---------------------------------|-----------------|------------|-----------|---------------|
| Miscellaneous Devices/Standards | <u>Approved</u> | for Repair | for Use | Compliant (%) |
| Weights (Field Tested) | 81 | 0 | 0 | 100.00 |

DETROIT OFFICIALS' INSPECTIONS*

Devices Inspected

| | <u>Inspected</u> | <u>Approved</u> | Rejected | Compliant (%) | Re-Inspected** |
|-----------|------------------|-----------------|-----------------|---------------|----------------|
| Taximeter | 966 | 962 | 0 | 99.59 | 4 |

^{*}The City of Detroit is the only remaining non-state jurisdiction in Michigan.

^{**}All re-inspected devices met standards and were approved.

MOTOR FUELS QUALITY PROGRAM

Michigan has over 5,000 gasoline retail outlets. Having knowledge of where each station resides is important for a viable sampling program. Many stations are manned by a single employee who often has no knowledge of the operation and is not authorized to make business decisions. Having the name and address of the owner or other responsible party is essential to ensuring corrective and follow-up action is done for quality violations.

To ensure the program has this needed information the Motor Fuels Quality Act requires retail outlets to obtain a license prior to conducting retail sales of gasoline and to renew that license before the annual December 1 expiration date. To further assist with licensing efforts the act requires distributors to verify a location is licensed before delivering gasoline.

A renewal application is mailed to each retail outlet in September with instructions to apply 60 days before the expiration date. Each year six to ten percent of all licensed retail outlets do not send in the renewal application prior to the December 1 expiration date. To determine the cause of the delinquency and verify a firm is still in operation, inspection staff personally visit these locations during December and January. This activity draws heavily upon resources needed for other program responsibilities.

For the past three years the program has made efforts to increase awareness of the licensing requirement during renewal season by alerting trade associations, sending out renewal flyers to all licensed locations to alert station owners to the need for renewal and the consequences of not renewing. The applications for licensure were posted on the department's website for easy access and use.

Despite the increased efforts, 387 locations did not renew their 2004 license prior to December 1. To increase compliance in this area, enforcement efforts were initiated against all retailers who were found to be offering gasoline for sale without a license and all distributors found to be delivering gasoline to unlicensed locations. This fiscal year, 146 new retailer owners were warned that it is illegal to operate a gasoline retail outlet without a gasoline retail outlet license, 213 established retailers were fined for being negligent in renewing their license; 1 distributor was warned not to deliver to an unlicensed location, and 13 distributors were fined for having delivered to an unlicensed location after being warned.

GENERAL MOTOR FUELS QUALITY INFORMATION AND STATISTICS

Establishments Licensed

Gasoline Retail Outlets 5,119

Disposition of P.A. 44 Violations

Compliance Meetings22Warning Letters554Administrative Fines297Prosecutions0Fine Amounts\$136,170

Stop Sale Information

Excess Water in Underground Storage Tank 55 Failure to Meet Quality Standards 10

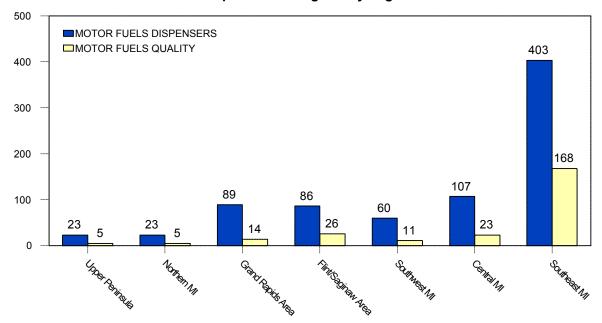
Complaint and Motor Fuels Quality Hotline Information

Complaints Received through 1-800-MDA-FUEL 1,273* Gasoline Quality Complaints Investigated 252

*Note: Complaints outside of the program's responsibility, received via the MFQ Hotline, were forwarded to the appropriate agency. All gasoline quality complaints were investigated.

PROGRAM ACTIVITIES

Complaints Investigated by Region



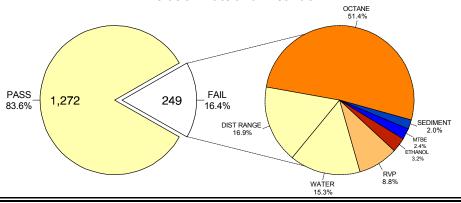
In addition to licensing and inspecting all retail outlets and responding to complaints, Motor Fuels Quality Program staff regularly procures samples and audits gasoline quality with a portable Zeltex octane analyzer. Following are the results for FY04:

Samples Procured

| <u>Results</u> | <u>Number</u> |
|----------------------------|---------------|
| Approved | 1,272 |
| Warning Letters | 168 |
| Non-actionable | 14 |
| Administrative Fines | 58 |
| Investigations In Progress | 9 |
| Total | 1,521 |
| | |

Zeltex Audits 2,902

Violation Rate and Breakdown



Samples were procured for the following reasons: a monthly random/stratified program, on-going investigations, consumer complaints, and to assure establishment compliance when there has been a previous violation.

Sample Results by Sampling Method

| | Number of | Number of | |
|-------------------------|----------------|-------------------|---------------|
| Sampling Method | <u>Samples</u> | Violations | Compliant (%) |
| Routine | 535 | 40 | 92.52 |
| Complaint | 248 | 52 | 79.03 |
| Re-sample | 173 | 64 | 63.01 |
| Investigation | 83 | 28 | 66.27 |
| Confidential/Undercover | 164 | 15 | 90.85 |
| Other | 318 | 50 | 84.28 |
| TOTAL | 1,521 | 249 | 83.63 |

Sample Results by Octane ((R+M)/2)

| | Number of | Number of | |
|--------------|----------------|-------------------|---------------|
| Octane (AKI) | <u>Samples</u> | Violations | Compliant (%) |
| 86 | 3 | 0 | 100.00 |
| 87 | 602 | 39 | 93.52 |
| 88 | - | - | - |
| 89 | 268 | 23 | 91.42 |
| 90 | 1 | 0 | 100.00 |
| 91 | 6 | 2 | 66.67 |
| 92 | 97 | 14 | 85.57 |
| 93 | 454 | 130 | 71.37 |
| 94 | 90 | 41 | 54.44 |
| Other | - | - | - |
| TOTAL | 1.521 | 249 | 83.63 |

Sample Results by Region

| Region Upper Peninsula Northern Michigan Grand Rapids Area Flint/Saginaw Area Southwest Michigan | Number of <u>Samples</u> 154 91 154 210 60 | Number of Violations 19 7 14 34 12 | Compliant (%) 87.66 92.31 90.91 83.81 80.00 |
|--|---|------------------------------------|--|
| Central Michigan | 184 | 19 | 89.67 |
| Southeast Michigan | 668 | 144 | 78.44 |
| TOTAL | 1,521 | 249 | 83.63 |

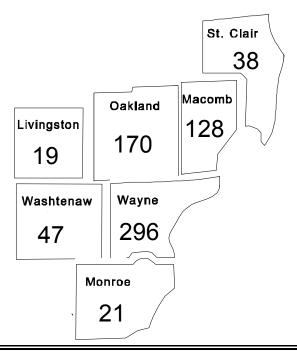
VAPOR RECOVERY AND REDUCTION PROGRAM

During FY04, Motor Fuels Quality Program staff monitored gasoline volatility at over 570 gasoline dispensing facilities. The goal is to increase air quality and limit the amount of volatile organic compounds that escape into the atmosphere; it is estimated that the program reduces volatile organic compounds emissions by more than 28 tons per day during the summer months. Specifically, dispensing facilities in the seven-county attainment area (see below) are required to dispense a lower Reid Vapor Pressure gasoline (7.8 psi or 8.8 psi with 10% ethanol) from June 1 to September 15. Monitoring efforts assisted Southeast Michigan in maintaining National Ambient Air Quality Standards. Eleven facilities were found dispensing high volatility gasoline during the ozone season.

* * * * *

As part of the Vapor Recovery and Reduction Program, staff perform field audits from June 1 through September 15 on gasoline dispensed in the seven-county ozone attainment area (Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne counties).

Number of Field Audits and Samples Per County



Field Audit and Sample Results

| | | Field Audits* | Official Samples | TOTAL |
|------|--------------------------------------|------------------|---------------------|-------|
| | | Audita | Garripics | IOIAL |
| Numb | er of Establishments | 519 | 136 | 605 |
| Numb | er Conducted | 535 | 184 | 719 |
| • 0 | Overall Establishments in Violation: | 11 | | |

^{*} When establishments were found in violation, multiple field audits were conducted; and at some establishments multiple products were audited.

Establishment Violation Rate:

1.80%

Field Audits and Samples without Ethanol (7.8 psi RVP limit)

| | | Number | Number of |
|---------------|-------------|------------------|-------------------|
| <u>Octane</u> | RVP Average | <u>Collected</u> | <u>Violations</u> |
| 86 | - | - | - |
| 87 | 7.45 | 359 | 3 |
| 88 | - | - | - |
| 89 | 7.46 | 67 | 1 |
| 90 | - | - | - |
| 91 | - | - | - |
| 92 | 7.47 | 6 | 0 |
| 93 | 7.44 | 103 | 6 |
| 94 | 7.70 | 7 | 2 |
| TOTAL | 7.45 | 542 | 12 |

Field Audits and Samples with Ethanol (8.8 psi RVP limit)

| Octane 86 | RVP Average | Number Collected | Number of Violations |
|--------------|-------------|---------------------|-------------------------|
| 87 | 8.60 | 124 | 0 |
| 88 | - | - | - |
| 89 | 8.74 | 19 | 1 |
| 90 | - | - | - |
| 91 | - | - | - |
| 92 | 8.54 | 8 | 0 |
| 93 | 8.50 | 6 | 0 |
| 94 | 8.85 | 20 | 3 |
| TOTAL | 8.64 | 177 | 4 |



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